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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/923,161	08/06/2001	Nicholas Frattalone	P24256-B USA	1517
7590 06/26/2008				
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EXAMINER				
GREIMEL, JOCELYN				
ART UNIT		PAPER NUMBER		
3693				
MAIL DATE		DELIVERY MODE		
06/26/2008		PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

09/923,161

**Applicant(s)**

FRATTALONE, NICHOLAS

**Examiner**

JOCELYN GREIMEL

**Art Unit**

3693

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 28 March 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1, 3, 4, 8, 9, 11-22, 24, 25, 28, 29 and 43-47 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.

- 6) ☒ Claim(s) 1, 3-4, 8-9, 11-22, 24-25, 28-29 and 43-47 is/are rejected.

- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.

- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/3508)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 28 March 2008 has been entered.

### ***Status of Claims***

Claims 1, 3, 4, 9, 13-17, 19-22 and 24 are currently amended. Claims 30-42 have been cancelled. Claims 43-47 are newly added.

### ***Claim Objections***

Claims 1, 19, 20 and 28 are objected to because of the following informalities: hyphens are used in inappropriate places, for example "cooperative-ly" and "controlling." Appropriate correction is required.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 9, 11, 13-21 recite limitations such as "the controlling step." Because the word step is not used in the proceeding claims, there is insufficient antecedent basis for this limitation in the claim.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

**Claims 1 and 22 are rejected under 35 U.S.C. 102(b) as being anticipated by Use of Property Gains Popularity as Financial Tool (hereinafter, Property).** Property discloses a computer based method for cooperatively managing a combined asset investment, the method comprising the steps of:

controlling a first investment portfolio of collateralizable securities, said first investment portfolio representing the ownership interests of a plurality of independent investors, and said collateralizable securities comprising one or more asset classes selected from the group consisting of mutual funds, bonds, corporate stock and corporate debt obligations;

obtaining financing collateralized by said portfolio of securities;

purchasing a second complementary investment portfolio comprising multiple income-producing real estate investments with said financing; and cooperatively managing said combined asset investment by cross-utilizing securities growth and real estate income to the benefit of said plurality of independent investors (page 1).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 3-4, 8-9, 11-21, 24-25, 28-29 and 43-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Property as applied to claims 1 and 22 above, and further in view of Evolution. In reference to the dependent claims (repetitive

claims are evaluated together), the claims cover Collateral Debt Obligations (CDOs), which are the securitization of bank loans, bonds and other financial assets which are used to transfer risk, obtain funding of asset portfolios, obtain regulatory relief and enhance returns on capital. Property does not explicitly discuss the following steps. However, the following are inherent steps in conducting a CDO and are disclosed Evolution of Canadian Credit Markets (hereinafter, Evolution).

3. wherein the first investment portfolio comprises a combination of securities selected for achieving an objective of long term growth (page 2-3).
4. wherein at least a portion of the debt obligations are insured by a third party guarantor (page 2).
8. wherein the financing provides leverage of the first investment in the range of 50-100% (page 1).
9. wherein the controlling step comprises the step of managing the first investment portfolio to provide enhanced returns to the plurality of independent investors (page 1).
11. wherein the managing step is performed by an investment firm, and wherein the financing is obtained from the investment firm (page 1-2).

12. wherein the financing is selected from the group of a line of credit, a self-liquidating loan, a fixed rate loan, a variable rate loan, an interest-only loan, a term loan, a balloon loan, and any combination of one or more thereof (page 1-2).

13-18. wherein the applying step comprises:  
distributing a portion of any income from the second investment portfolio to each of the plurality of independent investors.  
utilizing a portion of any income from said second investment portfolio to purchase an additional investment in an asset class of the first investment portfolio.

utilizing a portion of any income from the second investment portfolio to purchase more income-producing real property.  
holding a portion of any income from the second investment portfolio as cash.  
paying operating expenses relating to the first investment portfolio or the second investment portfolio.  
reducing a debt obligation resulting from the financing (page 1-3).

19. wherein the step of controlling the first investment portfolio comprises the steps of: receiving a capital contribution from each of the plurality of independent investors; aggregating a plurality of capital contributions; and purchasing

collateralizable securities for the first investment portfolio (page 2).

20. wherein the step of controlling the first investment portfolio comprises receiving at least a portion of the collateralizable securities of a pension fund (page 1-2).

21. wherein the second investment portfolio purchasing step comprises refinancing properties owned by at least one of the plurality of independent investors (page 1-3).

29. the method further comprising the step of: issuing a number of ownership shares to each of the plurality of individual investors to reflect an ownership interest in the combined investment (page 1-3).

44. wherein the corporate debt obligations comprise bonds or debentures (page 2).

45. wherein at least a portion of the collateralizable securities of the first investment portfolio are mortgages or are bundled in a mutual fund (page 2).

Property teaches a method for a combined investment. Evolution teaches the steps detailed above. It would have been obvious to try, by one of ordinary skill in the art at the time of the invention to use the steps detailed in the dependent claims and incorporate them into the method of Property.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JOCELYN GREIMEL whose telephone number is



(571)272-3734. The examiner can normally be reached on Monday - Friday 8:30 AM - 4:30 PM EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/  
Supervisory Patent Examiner, Art Unit 3693

Jocelyn Greimel  
Examiner, Art Unit 3693

June 22, 2008